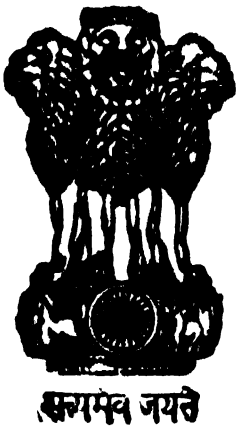
E.C. No. 33

ESTIMATES COMMITTEE

THIRTY-SEVENTH REPORT
1956-57

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE THIRD REPORT OF THE ESTIMATES COMMITTEE



LOK SABHA SECRETARIAT
NEW DELHI
December, 1956

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SECRETARIAT

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INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee present this Thirty-Seventh Report giving the comments of the Committee on the replies of the Government to the recommendations contained in the Third Report.

2. The Third Report of the Estimates Committee was presented to the House on the 5th March, 1951. Government laid a statement on the Table of the House showing progress made in regard to the recommendations contained in that Report on the 18th September, 1951. Further replies were given in January 1955. The replies were considered by the Sub-Committee of the Estimates Committee, 1955-56 during their sitting on the 16th October, 1955. The main Committee considered the views of the Sub-Committee on the replies by the Government on the 28th November, 1955 and 8th December, 1955. The views of the Committee have been communicated to Government. Further replies received from Government have also been included in this Report.

3. The Report has been divided into four Chapters:

I. Report.

II. Recommendations that have been accepted by the Government.

III. Replies of the Government that have been accepted by the Committee.

IV. Replies of the Government that have not been finally accepted by the Committee and are being pursued.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

NEW DELHI;
The 1st December, 1956.

CHAPTER I

REPORT

In para 63 of their Third Report, the Estimates Committee recommended that a competent statistician who could plan, initiate, develop and give life to the organisation in its technical aspects, should be appointed as Director General of Commercial Intelligence and Statistics. The Government have stated in their reply that efforts so far have failed to secure the services of a competent statistician with efficient administrative experience. In an earlier reply it was stated that the Government intended to recruit a person through the U.P.S.C. but the proposal was later dropped on the advice of Prof. Mahalanobis. In pursuance of the recommendations of the Estimates Committee in their First Report, the posts of Director General of Commercial Intelligence and Statistics and Director of Industrial Statistics have been merged since 1954. The post of Director General of Commercial Intelligence and Statistics therefore assumes great importance. The Committee therefore feel that a special knowledge of Statistics should be prescribed as an essential qualification for appointment to the post of Director General of Commercial Intelligence and Statistics.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

S. No.*	Ref. to para No. of the Report	Summary of Recommendations	Reply of the Government
1	2	3	4
1	1	There is considerable scope for economy in the staff of the Commerce Ministry. Effective measures should be taken to achieve it.	After this recommendation was made, Ministry of Commerce and Industry was formed in February 1951 and the staff strength was fixed on the basis of actual requirements. (*Ministry of Commerce and Industry O.M. No. 23-Coord. (45)/50 dt. the 27th January* 1955.)
2	2	(*a*) Efforts should be made by Officers to dispose of themselves as many of the receipts as is possible.	(*a*) This is already being done.
		(*b*) There should be proper allocation of duties and responsibilities so as to decentralise the final disposal of various matters at different levels.	(*b*) This is already being done. (*Ministry of Commerce and Industry O.M. No. 23 Coord. (45)/50 dt. the 27th January*, 1955.)

3	3	(*a*) Superintendents should be vested with powers for taking final responsibility in some matters.
5	5	(*b*) Staff employed in the Secretariat for dealing with cases coming from the Attached/Subordinate Offices should be dispensed with.
6	6	Posts of a Superintendent and two Assistants for the Secretary's staff should be abolished.

* Note—Sl. No indicates the Sl. No. of the recommendations as given in th

(*a*) This is being done in accordance with the instructions contained in the Manual of Office Procedure, and Section Officers (Superintendents) are disposing of routine cases.

Further action is also being taken with a view to seeing whether further powers can be delegated to the Section Officers to dispose of some more cases independently in their particular Branches.

(*Ministry of Commerce and Industry O.M. No.* 23 *Coord.* (45)/50 *dt. the* 27*th January* 1955.)

(*b*) The idea seems to be that cases referred to the Secretariat by the attached and subordinate offices should be dealt with by the officers direct. This is being done, whenever possible. Only cases which require independent examination with reference to rules and regulations and precedents at the Secretariat level are being put up by the staff. The staff strength of the reconstituted Ministry was fixed after taking into account all the circumstances. (*Ministry of Commerce and Industry O.M. No.* 23-*Coord.* (45)/50 *dt. the* 27*th January*, 1955.)

This arrangement which was in force for some time by the temporary transfer of a portion of the office to the Secretary's personal office no longer exists.

(*Statement laid on the Table on the* 18*th September*, 1951.)

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e Appendix to the Third Report.

1	2	3
9	9	(*a*) There should be a pool of Stenographers formed on the basis of one Stenographer for every two or three Junior officers.
11	11	(*a*) Expenditure on postage and telegram charges should be reduced considerably by resorting to cheaper means of communication. Use of telegrams and cables should be restricted. (Reduction 25 per cent.)
		(*c*) Expenditure under the head "Miscellaneous Office Expenses" should be restricted to the minimum possible. (Reduction 25 per cent.)
12	12	Work relating to "Shipping" should be transferred to the Transport Ministry and that relating to "Insurance" to the Finance Ministry and the reduced Commerce Ministry should be amalgamated with the Ministry of Industry and Supply.
14	18	(*ii*) So far the allocation of quotas between the established traders and actual users is concerned, preference should be given to users, *i.e* persons who want to import articles for manufacturing purposes.

(*a*) This is already being done.
(*Ministry of Commerce and Industry O.M. No. 23-Coord.* (45)/50 *dt. the 27th January*, 1955.)

This is already being followed. All possible effective measures have been taken to reduce the expenditure under the head "Other Charges."
(*Ministry of Commerce and Industry O.M. No. 23-Coord.* (45)/50 *dated the 27th January*, 1955.)

Expenditure under the head "Miscellaneous Office Expenses" is restricted to the barest minimum.
(*Ministry of Commerce and Industry O. M. No. 23-Coord.* (45)/50 *dated the 27th January* 1955.)

This has been done.
(*Statement laid on the Table on the 18th September*, 1951.)

This is already being done.
(*Statement laid on the Table on 18th September*, 1951.)

15	19	In the matter of imports adequate facilities should be given to co-operative Societies.	Co-operative societies are admitted to licences in the case of certain special items, such as diesel engines, art silk, cycles, etc, even where they do not fall in any of the categories of applicants to whom licences are given. Provision also exists under the Newcomer's Scheme for the grant of licences to Co-operative Societies. Societies with a turnover of Rs. 50,000 automatically qualify for a licence whereas other newcomers, though otherwise qualified, may on the prorata distribution of the ceiling not receive a share at all. The recommendation that the turnover figure in the case of Co-operative Societies may be reduced from Rs. 50,000 to Rs. 25,000 will be considered in consultation with the Import Advisory Council. (*Statement laid on the Table on the 18th September*, 1951).
16	20	(*i*) Import licences should be issued annually and there should be only one date for the receipt of applications from all the three categories of importers.	(*i*) Accepted in principle. In a wide range of cases, the present licensing procedure amounts in effect to annual licensing. As, however the total allocation for imports depends upon the foreign exchange position which cannot always be estimated with certainty very much in advance, it is not possible to extend this principle to all commodities. (*Statement laid on the Table on the 18th September*, 1951).
		(*iii*) Distinctive colours should be used for the three categories of application forms for import licences.	(*iii*) This would be desirable, but would involve additional expenditure. The matter is under examination. (*Statement laid on the Table on the 18th September*, 1951).

1	2	3
16	20—contd.	
		(*iv*) A register should be maintained for registering applications for licences and their disposal.
17	21	(*i*) Names of licences as and when the licences are issued should be published in the Gazette and objections, if any, invited from the concerned parties.
		(*ii*) Action should be taken against persons or firms found to be masquerading under pseudo-names.

Tne recommendation of the Estimates Committee was implemented. A system of coloured application forms for the different categories of applicants was introduced in January, 1952. (*Ministry of Commerce and Industry O.M. No. 23-Coord. (45)/50/A/B&A dated the 3rd May, 1956.*)

(*iv*) Agreed.
(*Statement laid on the Table on the 18th September*, 1951).

(*i*) Copies of weekly lists of licences issued at headquarters' office and at the port offices are being circulated to all the important Chambers of Commerce and trade Organisations in the country. Copies of these lists are also made available for public inspection at headquarters office and the port offices. Facilities, therefore, already exist to enable the public to make checks in the form envisaged in the Committee's recommendation. A decision has, however, now been taken to issue these weekly lists as a priced publication, and it will then be open to any member of the public to subscribe for these lists. These steps will substantially meet the object of the Committee. (*Statement laid on the Table on the 18th September*, 1951).

(*ii*) This is being done.
(*Statement laid on the Table on the 18th September*, 1951).

20	24	Some consideration should be paid to regional requirements in the matter of granting licences.	While it is not practicable or desirable to issue licences on a regional basis all steps possible are taken to see that the requirements of all the regions are met. (*Statement laid on the Table on the 18th September*, 1951).
21	25	A permanent list of established importers may be prepared and published with quotas instead of preparing fresh lists each year.	Noted. Such lists will, however, require review every year.
		The income-tax authorities may be furnished with the list of importers and required to report to the Controllers of Imports at Ports, cases of defaulters, etc., in every year.	Please see remarks against Sl. No. 17. Copies of weekly lists will be furnished to Income-tax authorities. As regards the second recommendation the object is met by insisting on an Income-Tax Verification Certificate.
		Applications of both the new comers and actual users, excepting for capital goods, should be disposed of at the ports, subject to the usual conditions laid down by the Chief Controller of Imports in regard to policy of fixation of quotas.	The underlying suggestion is accepted. The major portion of licensing in the case of actual users is already being done at the Port Offices, and steps are being taken to effect a further decentralisation by which only licensing relating to capital goods, heavy eletric plant, raw materials and certain other specialised items would be retained at Headquarters. (*Statement laid on the Table on the 18th September* 1951).
22	26-27	(i) Frequent changes in the Import Policy, especially in relation to OGL, should be avoided.	Accepted. Frequent changes are avoided as far as possible. (*Statement laid on the Table on the 18th September*, 1951).

1	2	3	4
22	26-27—*contd.*		
		(*ii*) Austerity measures should be enforced and, except for essential requirements of machinery and raw materials for industries, imports should be curtailed to the minimum.	This is in accordance with present policy. (*Statement laid on the Table on the 18th September*, 1951).
		(*iii*) OGL list should be very carefully scrutinized to ensure that there are no items likely to increase the country's adverse balance.	This is in accordance with present policy. (*Statement laid on the Table on the 18th September* 1951).
		(*iv*) A long term policy should be enunciated sufficiently in advance and licences issued on an annual basis.	Please see remarks against (*i*) above and Sl. No. 21. (*Statement laid on the Table on the 18th September*, 1951)
23	28	Steps should be taken to ban the import of articles lying in Disposal Depots.	Accepted. This is already being done. (*Statement laid on the Table on the 18th September*, 1951).
25	32	Quotas for export should be fixed for hard currency areas also, as in the case of soft currency areas.	This will be done, wherever practicable. (*Statement laid on the Table on the 18th September*, 1951).
26	33	(*i*) Ban on the export of oilseeds should be continued and attempts should be made to export oil rather than the seeds.	(*i*) The present policy is to give preference to the export of oils to oil-seeds, except where specific provision has been made for export of seeds to any particular country in the bilateral trade agreements. The total quantum of exports is carefully regulated with reference to internal needs. (*Statement laid on the Table on the 18th September*, 1951).

		(*ii*) When a ban is imposed it should be adhered to scrupulously and no relaxation whatsoever permitted for any party or interests.	(*ii*) Accepted. (*Statement laid on the Table on the 18th September, 1951*).
27	34	In the case of such commodities as are produced by the cultivator bans should as far as possible be lifted during the gathering season.	Accepted in principle. (*Statement laid on the Table on the 18th September, 1951*).
28	35	The present Jute Controller should be replaced by an independent person of experience.	This has been done. (*Statement laid on the Table on the 18th September, 1951*).
29	36	While exporting articles care should be taken to ensure that the internal economy is not unduly disturbed.	This is already being done. Export quota is determined with reference to the supply position of each commodity, while the foreign exchange aspect is also an important determining factor. However, the basic principle of permitting export only of a limited quantity which can be spared without causing undue hardship to the local consumers is always kept in view. (*Statement laid on the Table on the 18th September, 1951*).
30	37	Control on the quality of goods for export should be enforced and the aid of the Indian Standards Institution should be sought to prepare specifications.	These recommendations are in line with the present Policy. All possible steps are being taken towards standardising and improving the quality of goods. (*Statement laid on the Table on the 18th September, 1951*).
31	38	Effective steps should be taken to put a stop to all kinds of speculation in jute goods.	

1	2	3
32	39	(*i*) Direct relations with European countries should be established so that the re-exporting of certain commodities from the U.K. is prevented.

(*i*) As far as possible exports are arranged direct to countries which use them.

(*Statement laid on the Table on the 18th September 1951*).

This Ministry has taken the following measures to ensure that commodities exported to other countries are not re-exported from the U.K. after processing:—

(*a*) Bilateral trade agreements with a large number of countries and opening of trade offices to promote direct exports of Indian goods and Raw Materials.

(*b*) Intensification of export promotion drive in the form of opening showrooms, participating in international affairs, sending of delegations to study the market conditions and prospects for our export commodities.

(*c*) Barter deals *e.g.*, with China, Burma and Poland.

(*d*) Establishment of Export Promotion Councils.

2. It may be mentioned in this connection that, in respect of commodities, which are uncontrolled or on Open General Licence or licensed freely without restrictive conditions, exporters are free to effect exports in any manner they like.

3. Moreover, there is a certain amount of lack of machinery and equipment in India for processing some kinds of raw materials or further processing some half-finished manufactures and unless there is im-

		(*ii*) Greater efforts should be made to increase our trade with Asian countries.
33	40	A section of the Ministry of Commerce should be entrusted with the work of framing policies to augment the country's export trade.
37	47	(*i*) Staff employed on publicity work in the Administrative Intelligence Room should be dispensed with.
42	54	There is no centralisation in the publicity activities of the Ministry.

provement in this direction, it may not be possible to eliminate completely all re-exports of Indian goods from countries like the U.K.

(*Ministry of C. & I. O.M. No. 23-Coord. (45)/50/A/B & A dated the 25th July*, 1956).

Accepted.

(*Statement laid on the Table on the 18th September*, 1951).

This has been done.

(*Statement laid on the Table on the* 18th *September*, 1951).

Accepted.

(*Statement laid on the Table on the 18th September*, 1951).

As a first step in centralisation, it has been decided to combine five publications into one, namely, the "Indian Trade Bulletin" (Fortnightly), the "Indian "Market Review" (Weekly), "Foreign Market Review" (Weekly), the "Monthly Survey of Business Conditions in India" (Monthly) and the "I & S Bulletin" (Quarterly) into a monthly publication entitled "Journal of Industry & Trade". The first issue of this new publication has just appeared. The possibility of including in this publication an abstract of the monthly trade and industrial statistics is also under examination.

(*Statement laid on the Table on the 18th September*, 1951).

1	2	3
42	54—*contd.*	(*i*) Those publications which are absolutely essential in the interest of fostering trade and commerce should be retained and the publication of the rest discontinued. (*ii*) Efforts should be made to reduce the cost of printing by discontinuing the use of costly art paper for printing statistical publications and by reducing the size of the publications. (*iii*) Those publications which are retained should as far as possible, be made self-supporting. (*iv*) Get-up of publications meant for foreign consumption should be improved.
48	65	A list of names of all importers of our goods in foreign countries and of the exporters in other countries—a Business Directory should be published annually.

(I)—(iv) Accepted.

(*Statement laid on the Table on the* 18*th September*, 1951).

Accepted. A directory is under preparation.

(*Statement laid on the Table on the* 18*th September*, 1951).

The following four directories have been printed by the Publication Branch of this Ministry:—

1. Directory of the United Kingdom Importers, Brokers and Agents of Indian Produce and Manufactures—1951.
2. Directory of East African Importers of Indian Produce and Manufactures—1950.
3. Directory of Ceylon Importers of Indian Produce and Manufactures—1950.

50	71	(*i*) Not only such persons as have special knowledge of trade conditions and industries both in this country and abroad be appointed to the commercial-cum-diplomatic cadre but those already in service should be so trained as to discharge the trade functions in the best interests of the country. (*ii*) The question of creating a special service for trade and industries on the lines of the I.A.S. for the purpose of recruiting persons to serve in Trade Missions abroad should be considered by Government.

4. Directory of Canadian Importers of Indian Produce and Manufactures—1950.

A revised directory of the United Kingdom Importers Brokers and Agents of Indian Produce and Manufactures is under print. Recently we have written to our Trade representatives in Ceylon, East Africa (Mombasa)and Canada for necessary material for printing the revised edition as the four directories mentioned above are out of date. Our Embassies in Ceylon and East Africa have written that the material is being collected and will be supplied very shortly. Canada has replied that it is not possible for them at this stage to collect material as they are over worked. They have, however, said that they will review the position in November, 1955.

(*Ministry of C. & I. O.M. No. 23-Coord.* (45)/50 *dated the 27th January*, 1955).

The Indian Foreign Service is designed to include a sufficient number of the type of officers recommended by the Estimates Committee.

(*Statement laid on the Table on the 18th September*, 1951).

1	2	3	4
52	73	Urgent steps should be taken to establish direct contacts with other countries on the Continent, so that we may be able to trade with them directly on favourable terms and not depend solely on the U.K. for both import and export.	Steps to establish direct trade with various countries on the Continent and to increase India's export trade have been taken by means of Bilateral Trade Agreements, trade introductions to Indian and foreign firms, quality control of export articles, special facilities for export participation in exhibitions abroad, display of Indian goods in show-rooms abroad; commercial publications and publicity to points of interest and to suggestions about trade opportunities made in economic and commercial reports by Indian Trade Representatives abroad who have been asked to step up exports. (*Statement laid on the Table on the 18th September 1951*).
53	74	(*i*) Ways and means should be devised by our trade representatives to accelerate the quantum of India's export trade with countries to which they are posted.	
54	75	Government should pay more attention to increase the trade with neighbouring Asian countries rather than concentrate on the European countries alone.	Necessary steps are taken to make the country's export trade as wide-based as possible. (*Statement laid on the Table on the 18th September, 1951*).
55	76	Trade Commissioners should be trained in looking after the proper working of the International Agreements and for watching the trends and effects of the bilateral agreements in the countries to which they are attached.	This is being done. (*Statement laid on the Table on the 18th September, 1951*).

56	77	A list of names of all importers of our goods in foreign countries as also of the exporters of goods to this country may be collected by the respective Trade Commissioners.
57	79	The Ministry of Commerce in conjunction with the Ministry of Finance should go into the whole question of staff in the Trade Missions abroad, their pay and allowances and explore the possibilities of effecting economy in this direction. As the work in a Trade Mission is highly technical and has largely to be attended to by the officer himself, the st ff should normally be limited to a stenographer and a clerk to assist the Officer in keeping files.
58	83	To overcome the danger of evasion of incometax by the Sterling Companies making direct shipments to London as a result of the termination of the present arrangements for bulk purchase of Indian tea by the U.K., Government should provide increasing facilities for the handling of tea at Calcutta.

Please see remarks against Serial No. 48.

(*Statement laid on the Table on the 18th September*, 1951).

Please also see remarks against Serial No. 49(Chapter III). Large reductions have beencarried out.

(*Statement laid on the Table on the 18th September*, 1951).

Accepted. Sales of tea from Calcutta are encouraged as far as possible.

(*Statement laid on the Table on the 18th September*, 1951).

Quantities of tea sold in Calcutta auction since 1950-51 were as follows:—

Figures in thousand Lbs.

Year	Export	Consumption In India	Total
1950-51	162,083	82,884	244,967
1951-52	207,128	68,880	276,008
1952-53	217,618	68,505	286,123
1953-54	188,468	84,471	272,939
1954-55	174,996	113,675	288,671
1955-56	250,332	83,829	334,161

1	2	3
59	84	Government should give due consideration to the recommendations of the *Ad Hoc* Committee on Tea regarding the provision of warehouse facilities.

Figures showing shipments by Sterling Companies are not available. Collection of these figures from each of the Sterling Companies and verification thereof would take considerable time.

In October, 1954, the Government of India appointed a Committee to examine the system of tea auctions and to recommend the steps to be taken for the progressive increase in the quantity of tea auctioned in India. The Committee submitted its Report. The Government generally agree with the Committee's recommendations and imposed a ceiling of the quantity of unsold teas consigned from North India to London auctions. Government did not consider it necessary to impose a ceiling in respect of South India teas. For 1955 tea crop, Government fixed the ceiling at 140 million lbs. The ceiling had, however, to be withdrawn later in the year with a view to helping the stabilisation of tea prices at an economic level.

(*Ministry of Commerce and Consumer Industries O.M. No. 23-Coord.* (45)/50/A/B & A 56*dated the 4th Oct.* 1956).

Government have accepted the *Ad Hoc* Committee's recommendation as regards additional warehouse facilities and the Port Commissioners have, at the instance of Govt., undertaken the construction of additional warehouses.

(*Statement laid on the Table on the 18th September* 1951).

16

60	85	(i) The Central Tea Board should arrange to educate Indians in tea-testing, blending, broking and shipping, etc.	According to the *Ad Hoc* Committee's recommendation accepted by Govt., the four non-Indian tea-broking firms in Calcutta, in consultation with the Chairman of the Board, will each select 3 Indians for training in tea-broking by next year. (*Statement laid on the Table on the 18th September*, 1951). 25 Indians were trained upto 30-6-55 by the four firms. The total number of foreigners employed by these four firms as on 30-6-55 was 30, out of which 11 were directors of the firms. (*Ministry of Commerce and Consumer Industries O.M. No. 23-Coord. (45) 50/A/ B & A/56 dated the 4th October*, 1956).
61	87	In view of the existing gap between the internal price and the world price of tea, Government should further explore the possibilities of securing to the revenues of the State a portion of the excess in profits that will accrue to the Tea Estates when the bulk purchase system is abolished and Indian tea is put on sale in the world market freely.	This is a matter under the constant review of Government, and policies are adapted to current requirements with due regard to the fact that Indian tea in a buyer's market, on account of world production of tea, has to face greater competition.*
62	88	The services of the Forest Research Institute, Dehra Dun, should be utilised in improving the quality of India-made tea chests. Imports of tea chests should be reduced considerably.	The services of the Forest Research Institute, Dehra Dun, are always being utilised for improving the quality of indigenous tea-chests. The quota for import of tea-chests is being reduced progressively from year to year.*

*Statement laid on the Table on the 18th September, 1951.

62	88—*contd.*	Government should take advantage of the agreement entered into by the Tea Chest and Plywood Trades Association with Sweden for the import of tea chests at cheaper rates as compared to th U.K. rates. Indigenous importers should get preference over foreign agencies in the matter of import of tea chests.
63	89	The question of employing Indian personnel for propaganda work abroad should be taken up with the International Tea Market Expansion Board.
64	90	India should establish direct contracts with the foreign markets, especially the hard-currency areas, for the export of tea.

**Statement laid on the Table on the 18th September, 1951.*

Licences are generally issued for import direct from producing countries except where it is equally economical to import from other sources. The present formula for quota allotment to actual users and indigenous importers is considered equitable to the interests concerned and if the foreign agencies get a large share, it is because the majority of actual users are non-Indians and they may not prefer to order through indigenous importers.*

This is being done.*

18

This is being done.*

CHAPTER III

REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

S.No.*	Ref. to para No. of the Report	Summary of Recommendations	Reply of the Government
1	2	3	4
2	2	(c) Scale of work should be on the basis of 5 important and 10 ordinary receipts, *i.e.* on an average of 15 receipts a day for an Assistant. (Minus 70 Assistants and 75 clerks).	(c) This is a matter of general application to all Ministies. (*Ministry of Commerce and Industry O.M. No. 23-Coord. (45)/50 dated the 27th January, 1955).*
3	3	(b) At least 10 Assistants should be put under a Superintendent. (Minus 11 Superintendents).	(b) This cannot be generalised to all the Sections. The strength of the Branches is fixed on the basis of the nature of work in a particular Branch. (*Ministry of Commerce and Industry O. M. No. 23-Coord. (45)/50 dated the 27th January, 1955).*
4	4	One post of Joint Secretary should be abolished forthwith and the other post dispensed with in course of time. So long as the second post of Joint Secretary remains, the work under his charge should be localised in a distinct wing within the Ministry. In the other wing Deputy Secretaries should deal directly with the Secretary.	With the formation of the Ministry of Commerce and Industry in February, 1951 two posts of Joint Secretary were sanctioned. This recommendation is not, therefore, applicable now. (*Ministry of Commerce and Industry O.M. No. 23-Coord. (45)/50 dated the 27th January, 1955).*

**Note.*—Sl. No. indicates the Sl. No. of the recommendations as given in appendix to the Third Report.

1	2	3
7	7	Library Section with the complement of one Librarian and four clerks should be closed down.
8	8	Posts of Director and Assistant Director of Exhibitions and the clerical staff attached to them should be abolished. (*Minus* one Director of Exhibitions, one Assistant Director of Exhibitions, one Assistant-in-charge, three Assistants and two clerks).

It is no doubt true that the Central Library should be utilised to the maximum extent possible. This is being done. But the nature of the work of the com: in d Ministry is such that a separate Library for specialised literature is essential. The libraries of the Ministries of Commerce and Industry have been combined and a reduction of one librarian and two clerks has been effected. No books which could be had from the Central Library will be added to this Library the staff for which will be kept at the barest minimum

(*Statement laid on the Table on the* 18*th September* 1951).

20

The post of Assistant Director has already been abolished with effect from the 1st March, 1951.

It has been decided to merge the Directorate of Exhibitions with the Cottage Industries Directorate, with effect from the 1st October, 1951. The Director will, after the merger, deal not only with the exhibitions as such but also with a good deal of work of the Cottage Industries Directorate. This arrangement should lead to the abolition of a post of Deputy Director in that Directorate very soon. With the merger, it is also intended to reduce the posts of one Assistant and one clerk.

(*Statement laid on the Table on the* 18*th September*, 1951).

The posts of Assistant Director of Exhibitions, the Manager of Cottage Industries Emporium, one Assistant and one Clerk have been abolished securing thereby savings equivalent to those envisaged by the Estimates Committee. So far as the organisational aspect of the matter is concerned, the matter has been fully considered and the position is as follows:—

The main function of the organisation for the Director of Exhibitions relates to Government's participation in international trade fairs, and holding trade exhibitions abroad, planned and designed to stimulate and maintain the over-all trade in India.

These functions cannot appropriately be taken by the Cottage Industries Board, nor was it found practicable to place the Cottage Industries Museum or emporium under the Director of Exhibitions. The work of organising exhibitions etc., is growing steadily. Besides holding of exhibitions and despatch of exhibits, the Director of Exhibitions, hold and handle trade enquiries, point out defects in production, quality, specification, price factor etc. so as to suit the markets abroad. He has also to explore and find out products which can go into overseas trade and earn foreign exchange when and where our producers are not interested in export trade due to a ready market in this country itself. In fact he has to do and is actually doing considerable liaison work between the producers and dealers at this end and our Missions and Importers abroad. Again, apart from the periodic exhibitions and fairs we have now two permanent show-*cum*-emporiums abroad and also

other arrangements with 12 of our Missions abroad for permanent display and marketing of our goods on "test consignment" basis. These Missions are to be kept supplied with samples of our exportable goods and also to be advised regarding their trade. All this work involves a large volume of correspondence. Moreover, participation in International Exhibitions and fairs abroad is a cardinal point in our export promotion policy and will as such be a permanent feature of our trade policy in the foreseeable future. The necessity for expanding our export markets need not be emphasised and the work of the Director will also increase correspondingly. Besides, organisation work both in India and abroad connected with trade fairs has to be done in accordance with the obligations laid down in specific international conventions. According to article 15 of the International Convention signed in Paris in 1928, Government are obliged to have a special Exhibition Commissioner or Director to fulfil all obligations laid down by the Convention if they are to arrange such exhibitions. Necessity for the retention of the post of Director is also warranted by International obligations.

22

(*Ministry of Finance D.O. No.* I-EC 53 *dated the 9th January*, 1953.

The post of the Director of Exhibitions has since been converted into a permanent one with effect from the 1st April, 1953.

A temporary post of Deputy Director of Exhibitions in the scale of Rs. 600-40-1000-1050-1050-1100-1100-1150 and one temporary post of Assistant Director of Exhibitions in the scale of pay of Rs. 350-350-380-380-30-590-EB-770-40-850 have been created with effect from the 1st September, and 3rd June, 1953 respectively. The justification for the creation of these two posts is given below:

There has been a considerable increase, almost 6 to 8 times, in the volume of work, both Secretariat and executive, to be done now and in future. Before the posts mentioned above were created, there was only one officer (Director of Exhibitions) to look after the colossal amount of work, both Secretariat and executive, connected with the organisation and maintenance of show rooms, administration and maintenance of accounts in India both government and commercial to the satisfacton of the Central Audit, to exercise control over maintenance of accounts, of expenditure abroad, to advise our Missions abroad in matters relating to trade publicity, to follow up trade enquiries and advise the commercial firms in India, etc. As the post of the Director of Exhibitions is a protocol post under the International Fairs and Exhibitions, he has to do a considerable amount of liaison work between the foreign Missions in India and our Government, and between this Ministry and our Missions abroad. He has also to advise and regulate International Exhibitions being organised from time to time in India irrespective of the fact whether such exhibitions are organised by private parties or by a department of the Central Government

1	2	3
9	9	(b) Number of Class IV servants should be reduced to at least 50 per cent of the present number. (Minus 68 class IV servants.)
10	10	(a) Expenditure on tours of the Officers and staff should be reduced by 50 per cent.

or State Government. Further the Director is frequently called upon to assist many other exhibition being organised in India. The decision of the Alle India Handicrafts Board that in futur the selection and despatch of handicraft and cottage industry goods should be done through them has also considerably increased the volume of procedural work. Thus a stage was reached when it was impossible for the Director to manage the work single-handed and the creation of the two temporary posts of Deputy Director and Assistant Director was absolutely necessary.

(*Ministry of Commerce and Industry O.M. No.* 23-*Coord* (45)/50 *dated the* 2*nd March.* 1954).

24

(b) The question of fixation of strength of Class IV staff is under consideration in consultation with the Ministries of Home Affairs and Finance.

(*Ministry of Commerce and Industry O.M.No.* 23-*Coord.* (45)/50 *dt. the* 27*th January.* 1955).

(*Attention is invited to reply of Government to recommendation in S. No.* 6 *of the Second Report* (vide *Chapter III of the Thirty-Sixth Report*).

(a) The expenditure on this item is being kept to the minimum. Tours by Junior Officers wherever absolutely necessary are undertaken only with the prior approval of the competent authority.

			(*Ministry of Commerce and Industry O.M. No. 23-Coord* (45)/50 *dt. the 27th Jan.* 1955).
			A statement showing the expenditure booked for the years 1951-52 to 1954-55 is enclosed (Appendix I).
			(*Ministry of Commerce and Consumer Industries O. M. No.23-Coord* (45)/50/A/*B & A/* 56 *dated the 27th September,* 1956).
		(b) Air travel should be restricted to very exceptional cases Travelling allowance of Officers travelling by air should be restricted to the actual air fare plus appropriate road mileage from the aerodrome to the place of halts, if Government transport is not provided.	(b) Air travel is restricted to very urgent cases. The question of the revision of the rates of travelling allowances for such journeys is a general one and is the concern of the Ministry of Finance.
		No officer should charter plane.	(*Ministry of Commerce and Industry O. M. No. 23-Coord.* (45)/50 *dated the 27th January,* 1955).
11	11	(b) Residential telephones for Officers should be restricted to the minimum necessary. Officers having telephones installed at their residences at Government expense should bear 50 per cent of the charges on such telephones. A register should be maintained for recording all trunk-calls made. Calls not made strictly in connection with official business should be paid for by the individual concerned.	(b) The telephones are provided at the residences of the officers to enable them to discharge their duties efficiently even at odd hours and the telephones are being used only by them on official work. A register of trunk calls is being maintained. The calls which are not strictly official are paid for by the individuals concerned.
			(*Ministry of Commerce & Industry O.M. No. 23-Coord* (45)/50 *dated the 27th January,* 1955)
13	13	In the reorganised Ministry of Commerce, one post of Joint Secretary and one post of Under Secretary should be abolished.	With the formation of the reconstituted Ministry of Commerce and Industry in February, 1951 this recommendation is not applicable.
			(*Ministry of Commerce and Industry O. M. No. 23-Coord* (45)/50 *dated the 27th January,* 1955).

1	2	3
14	18(*i*)	Newcomers should be treated more generously and their quota for import licences raised to at least 25 per cent of the total ceilings without any restriction whatsoever. The system of demanding income-tax or bank turnover certificates from newcomers should also be dispensed with as it causes unneccessary harassment to them.
16	20(*ii*)	Applications should be received and disposed of round about the end of the year and the beginning of the next year. Tabulation of the applications should commence only when the dead-line date is over, and distribution of quotas for the three categories should be done simultaneously.

It has been decided that the minimum value of a newcomer's licence will in future be Rs. 10,000 unless it happens to be for items which are received in small consignments, such as razor blades, in which case the minimum will be Rs. 5,000. It has also been prescribed that the qualification for an applicant to receive consideration as a newcomer will be that he has dealt within the country in the particular commodity which he wishes to import for at least two years.

Following the recommendations of Mehta Committee, the maximum value of a newcomer's licence has been fixed at Rs. 25,000; parties have been allowed to substitute Auditor's Certificates in place of Bank's Certificates and the monetary provision for newcomers is fixed after allowing 100 per cent of requirements of actual users and established importers. &

(*Statement laid on the Table on the 18th September*, 1951).

The recommendation has been carefully considered. On an average, 1,25,000 applications made up of three categories of applicants are received for each period and it will mean the employment of a very large staff which will be, relatively speaking, not fully employed during the rest of the year if the cases of all the three categories were to be dealt with simultaneously. Moreover the issue of licences at one time would have its repercussions both in the matter of procurement

as well as internal prices. The foreign supplier would be faced with a large number of orders which may impel him to increase his price because of the demand, and there would not be an even flow of goods in the internal market, with resultant periodic fluctuations in the price level.

(*Statement laid on the Table on the 18th September, 1951.*

18	22	Names of blacklisted firms should be published in the Government Gazette and such names should not be removed from the black list as a matter of routine but should be removed only after the *bona fides* of the party are established as a result of a properly instituted enquiry.	The blacklisting of firms who contravene the Import Trade Control Regulations is not done under any statutory powers but by executive action. Except for the firm concerned, no notification of such action is made to any other party or section of the public, because without legal support publication might lead the Department in litigation. Blacklisting, moreover, may in certain cases be for a limited period only, but publication of the firms' name would be a permanent stigma which cannot be removed even in cases where the orders were erroneous. The blacklisting of firms is now done in terms of specific types of offences, and the penalities prescribed in each case are placed before the Standing Advisory Committee from time to time. It is only in respect of most serious offences that a firm is blacklisted permanently. Otherwise the firm has to serve the period of disability imposed upon it as a penalty, and then it is restored to the class of eligible applicants. If a party permanently blacklisted appeals for reconsideration the case is properly enquired into before the firm, if at all, is allowed to regain its old status. (*Statement laid on the Table on the 18th September, 1951*)

1	2	3
19	23	Immediate steps should be taken to set up a Committee consisting of a person not below the rank of a District Judge and two other non-officials to deal with complaints against the working of the Import Trade Control.

(*i*) The Government have been vested with powers to legally blacklist defaulting firms *vide* clause 8 of Imports (Control) Order No. 17/1955 for a specified period.

(*ii*) the names of the blacklisted firms are circulated amongst the various departments.

(*Ministry of Commerce and Industry O.M. No. Pt. 23-Coord-(45)/50/A/B & A dated the 3rd May, 1956*).

The procedure for dealing which complaints within the Chief Controller's Organisation has been tightened up and improved. There is also a separate Complaints Branch in the Ministry. Complaints received in the Ministry are carefully scrutinised and reports are called for from the Chief Controller of Imports whenever necessary. All the compiaints are personally scrutinised by the Secretary or Joint Secretary and most of them by H.M. or the Deputy Minister. There has been a considerable improvement since the Estimates Committee made its recommendation, and it is considered that, at this stage, it is neither necessary nor practical especially as the present arrangement has been working quite satisfactorily to appoint any special tribunal to examine complaints.

(*Statement laid on the Table on the 18th September*, 1951).

A table showing the figures of complaints received and disposed of during 1948—55 is given below :—

Year.	No. of complaints received.	No. of complaint cases disposed of within the month.	No. of complaint cases disposed of in more than one month.	No. of complaint cases pending on the 31st Dec. 1955	Remarks
1	2	3	4	5	6
1948—1950.	Information not available.		Information not available.		
1951	*2	—	2	—	
1952	526	1	524	1	
1953	267	—	262	5	
1954	157	18	130	9	
1955	135	23	85	27	

(*Ministry of Commerce and Industry O. M. No. Pt. 23 Coord (45)/50/A/B & A dated the 3rd May, 1956*)

24	29	(*i*) On decentralisation of the work of granting import licences the Office of the Chief Controller of Imports should be re-organised and the staff reduced to one Chief Controller, one Deputy Controller and 3 or 4 Assistant Controllers, the non-gazetted staff being fixed proportionately to the above Officers' strength. When the Offices of Import and Export Control are merged together, the reorganised office should be augmented by proportionate staff.	(*i*) to (*iv*). The two posts of Chief Controller of Imports and Exports have already been merged. The decentralisation of licensing work has already started and is expected to be completed by the end of September, 1951. It is hoped that before the end of December 1951, decisions will have been taken on the possibility of a reduction in the strength of the organisation both at the Headquarters and the Ports.

*This information is in respect of the Export side and the information in respect of Import side is not available.

1	2	3
24	29—*contd.*	(*ii*) Addition to the staff at ports after decentralisation of work should be made on duly recognised and worked-out formula.
		(*iii*) Posts of intermediary Officers, *e.g.*, superintendents, In-charge and Joint Controllers should be reduced as much as possible.
		(*iv*) Such of the functions of the Port Offices as can reasonably be performed by other Central Government Offices at the ports concerned, such as the Customs Staff, Port Trust Staff, etc., should be entrusted to them.

The Committee's suggestion that such of the function of the Port Office as can appropriately be performed by other Central Government Offices at the ports is already being followed.

(*Statement laid on the Table on the 18th September*, 1951)

After an objective examination of the staff required for the combined office, the post of the Chief Controller of Exports and two posts of Assistant Controllers were abolished. Against one post of Assistant Controller it became necessary to create a post of Administrative Officer. It was further found possible to meet the extra demand for establishment in the Ports from within the sanctioned strength thereby avoiding necessity of having to create additional posts. 30

(*Ministry of Finance D.O. No. 1-EC/53 dated the 9th January*, 1953).

At the time the post of Administrative Officer created in lieu of the two posts of Assistant Controllers in the Office of the Chief Controller of Imports & Exports, the post was held by an Officer belonging to the Central Secretariat Service, Grade III in the scale of pay of Rs. 325—500 and consequently it was stated in the previous statement

34	41	The machinery recommended for dealing with complaints relating to the Import Control licensing system should be utilised for dealing with complaints relating to export licensing system.
35	42	The Import and Export Control Organisations should be amalgamated under one head who should be designated as the Chief Controller of Imports and Exports. Consequent on this amalgamation a reduction of at least 25 per cent in the expenditure of these offices should be effected.
36	45	The statistical portion of the work of the Administrative Intelligence Room should be transferred to the Commerical Intelligence and Statistics Office. The Statistical Presentation Division of the Administrative Intelligence Room (now merged with Economic Adviser's Office) should be abolished.

that a lower graded post of Administrative Officer was created. As the post of Administrative Officer is a Category 'B' post, it can be held by an Officer of Central Secretariat Service Grade II (Rs. 530—800) or Grade III (Rs 325—500); the post came subsequently to be held by an Officer of Grade II.

(*Ministry of Finance O.M. No.* 6474-*EGI*/54 *dated the* 14*th October,* 1954)

Please see remarks against S. No. 19.
(*Statement laid on the Table on the* 18*th September,* 1951.)

Please see remarks against S. No. 24.
(*Statement laid on the Table on the* 18*th September,* 1951)

The statistical portion of the late A.I. Room has since been transferred to the Cabinet Secretariat, with a view to the ultimate formation of the Central Statistical Organisation. The whole question of the form of the Statistical Organisation is under consideration.

(*Statement laid on the Table on the* 18*th September,* 1951).

1	2	3	4
36	46—*contd.*		The Government has decided that all new proposals for the collection, processing, analysis or publication of statistical data should be sent by all Ministries to the Central Statistical Organisation; also at the request of the Central Statistical Organisation all information relating to statistical organisation, methods posts, expenditure, etc. in different Ministries; and that existing vacancies of Statisticians in Class I and higher posts should, as far as possible, be held in abeyance for six months pending examination of the question of reorganisation of the work in different Ministries. (*Ministry of Finance D.O. No. 1-EC/53 dated the 9th January, 1953*).
			A note containing the information required by the Estimates Committee regarding the details of the merger and also the results achieved in terms of economy and efficiency as a consequence is placed at Appendix II. (*Cabinet Secretariat O.M. No. 12/3/56-Ests (A) dated the 1st March, 1956*).
	52	The Ministry of Commerce should endeavour to concentrate at one place, *i.e.* in the Office of the Commercial Intelligence and Statistics, all the statistical units at present scattered in different offices of the Ministry. There should	At present, there are three offices which collect and compile commercial and industrial statistics, namely, the Director General of Commercial Intelligence and Statistics at Calcutta, the Director of Industrial Statistics at Simla and the Economic Adviser at

be a reshuffling of duties and all avenues should be explored for achieving economy in work and staff.

Delhi. While there is no duplication now either in the collection of statistics or in its publication, there might be some room for rationalising the work of these three units. This matter is now under examination and a decision is expected to be taken before the end of September 1951.

(*Statement laid on the Table on the 18th September*, 1951).

Please see remarks against recommendation 12—First Report.

(*Ministry of Finance D.O. No. I.EC/53 dated the 9th January*, 1953).

As already stated, both the offices *viz*. Director General of Commercial Intelligence and Statistics and Director of Industrial Statistics have been placed under one officer. The budget has been combined with effect from the current financial year. Selection is made from amongst the officers serving in both the wings of the organisation for promotion to gazetted ranks. It is only in non-gazetted establishments that a complete merger has not yet taken place and separate seniority lists are maintained. On the whole the two offices may be deemed to have merged to the extent of 80% and the process could not be finalised, owing to further reorganisation which is under consideration, and pending receipt of the inspection report on the office of the Director General, Commercial Intelligence & Statistics Unit. It has been decided in public interest not to move the statis-

1	2	3
40	52—*contd.*	
41	53	Those publications which are important and indispensable in the interest of the economy of the country should be retained and the publication of the rest discontinued. The publication work of the Economic Adviser's Office should be transferred to the Commercial Intelligence Statistics Office and necessary reduction in staff effected.

tical portion of the office of the Economic Adviser to the Government of India from New Delhi to Calcutta.

(*Ministry of Commerce and Industry O.M. No. 23-Coord (45)/50 dated the 2nd March, 1954*).

With the transfer to the Cabinet Secretariat of work relating to statistical publications of a general nature and to the Ministry of Finance the work relating to the analysis of balance sheets and compilation of indices of industrial profits, the Economic Adviser's Office is left with the issue of only the following three publications :— 34

(*i*) Index Numbers of Wholesale Prices (Weekly)

(*ii*) Monthly Survey of Business Conditions in India (Monthly); and

(*iii*) Annual Review of Economic Conditions with special reference to trade (Yearly).

It is proposed to continue publications (*i*) and (*iii*) as they are, but to dispense with (*ii*) as a separate publication. (Please see remarks on Sl. No. 40 above and S. No. 42 (Chapter II).

(*Statement laid on the Table on the 18th September, 1951*).

42	54	(*i*) After transferring the statistical and publication work of the Economic Adviser's Office to the Commercial Intelligence and Statistics Office, the residual work relating to the economic side should be transferred to the Cabinet Secretariat along with the minimum necessary staff and the remaining staff reduced or, alternatively, the functions performed by the Economic Adviser working in the Cabinet Secretariat should be transferred to the Economic Adviser to the Government of India in the Ministry of Commerce. There should be only one Economic Adviser to the Government of India either in the Ministry of Commerce or attached to the Cabinet Secretariat.
		(*ii*) The Ministerial staff sanctioned for the Economic Adviser's office should be reduced to the barest minimum necessary to look after purely clerical and typing work.
43	60	All publicity work emanating from the various Branches of the Ministry should be arranged through the Principal Information Officer and the posts created for this purpose should be abolished.

(*i*) *and* (*ii*). The office of the Economic Adviser is concerned mostly with problems of trade and commerce and such economic problems as are directly related to trade and commerce, while his counterpart in the Cabinet Secretariat is concerned more with coordination of the economic policies and problems of Government as a whole. It is considered necessary that the Ministry of Commerce and Industry should have a whole time officer to advise the Ministry on the various economic problems with which it is required to deal. It will, for instance, be recognised that the economic problems in agriculture are different from those in transport and so on, and it will not be possible to have one office to advise all the Ministries, on the day to-day economic problems peculiar to each Ministry. The designation "Economic Adviser" is, however, misleading and would be changed.

(*Statement laid on the Table on the 18th September*, 1951).

The Ministry has no staff for publicity work, as distinguished from work relating to the publications referred to in the preceding items.

(*Statement laid on the Table on the 18th September*, 1951).

1	2	3
44	61	The Central Statistical Organisation under the Cabinet Secretariat should in due course take over the functions that are now being performed by different Ministries. The Ministries should delegate progressively their statistical functions to this central body and effect suitable reductions in staff.
45	62	(*i*) Till such time as the Central Statistical Organisation takes over control and coordination of the entire statistical fucntions of the different Ministries, the Ministry of Commerce should centralise their own statistical activities at one place only, *i.e.* in the Commercial Intelligence and Statistics Office. Items of statistical work having no or insignificant value to the Government or the public should be discontinued immediately and corresponding reduction in staff effected. (*ii*) The work at present being done in the Commercial Publication Branch of the Commerce Ministry and similar work, if any, being done in other unit of the Ministry should be transferred to the Office oft he Commercial Intelligence and Statistics and necessary reduction in expenditure effected.

See remarks against S. No. 40.
Also see remarks against S. No. 36.
(*Ministry of Finance D.O. No. 1-EC/53 dated the 9th January*, 1953).

Please see remarks against Serial No. 40 of the Reports (*Statement laid on the Table on the 18th September*, (1951).
Please see remarks against S. No. 12 (*First Report*)
(*Ministry of Finance D.O. No. 1-EC/53 dated the 9th January*, 1953).

49	70	The Ministry should explore the possibility of amalgamation of the functions of the Trade Commissioners and of the Embassies at places where it has not yet been done.

Action has been taken to amalgamate the functions of the trade representatives and diplomatic officers at the following stations :

(1) *Tokyo.* The functions of the Commercial Counsellor have been entrusted to the First Secretary (Diplomatic).

(2) *Kabul.* The functions of the Commercial Secretary have been entrusted to the Cultural Attache.

(3) *Teheran.* The functions of the Commercial Secretary have been entrusted to the First Secretary (Diplomatic).

(4) *Rio-de- Janeiro.* The functions of the Commercial Secretary have been entrusted to the Charged' Affaires.

The Commercial Sections in these places, except the one at Tokyo, have been entirely closed.

The following trade offices have also been closed or staff reduced and trade work transferred to the Indian Missions there :

(1) Office of the Commercial Attache, Legation of India, Baghdad.—(Completely).

(2) Office of the First Secretaty (Commercial) Embassy of India, Prague.—(Completely).

(3) Office of the Commercial Counsellor to the High Commissioner for India in Canada, Toronto. —The Office at Toronto has been completely

1	2	3
49	70—*contd.*	

wound up but one Commercial Assistant has been attached to the High Commissioner at Ottawa.

(4) Office of the Commercial Second Secretary, Brussels.—The entire office has been closed. A post of Commercial Assistant has, however, been retained and attached to the Embassy.

(5) Office of the Commercial Second Secretary, Buenos Aires.—All posts except the posts of Commercial Second Secretary, Assistant, Stenographer and Messenger have been abolished.

(6) Office of the Assistant Trade Commissioner, Vancouver.—Decision has been taken not to re-open this office. 33

(7) Office of the Indian Counsel-General, San Francisco.—One post of clerk has been reduced.

(8) Commerce Department, London.—Two posts of Assistant Trade Commissioner and six non-gazetted posts have been abolished.

As a result of the above economy measures, annual saving of about Rs. 12,10,000 has been effected.

(*Statement laid on the Table on the 18th September*, 1951).

1. *Tokyo.*—A post of first Secretary (Commercial) to the Embassy of India in Japan, Tokyo, has since been created.

2. *Kabul.*—No change.

3. *Teheran.*—A post of Second Secretary (Commercial) to the Embassy of India, Teheran, has been created and the Commercial Section revived.

4. *Rio-de-Janeiro.*—No change

The position in respect of the Trade Offices which had been closed completely or partially, is now as follows :—

1. *Baghdad.*—A Second Secretary (Commercial) to the Embassy of India, Baghdad has since been appointed and the Commercial Section has been re-opened.

2. *Prague.*—No change.

3. *Ottawa.*—A Second Secretary (Commercial) to the High Commission for India in Canada, Ottawa has since been appointed and the strength, of the Commercial Section has been augmented.

4. *Brussels.*—No change.

1	2	3
49	70—*contd.*	

5. *Buenos Aires.*—The remaining posts were also abolished. An Assistant for Commercial work has been posted to the Embassy of India, Buenos Aires.

6. *Vancouver.*—No change.

7. *San Francisco.*—No change.

8. *London.*—No remarks.

(*Ministry of C & I O. M. No. 23-Coord (45)/ 50 dated the 27th January, 1955*).

The Ministry has borne in mind the recommendations made by the Estimates Committee. To the extent possible, the recommendations have also been implemented. In fact, the Economy Directives issued in 1950-51 were additional considerations that led to the closure of a number of Trade Commissioner's Offices and Commercial Sections in the Missions abroad.

Since the Estimates Committee made its recommendations about 5 years ago, the position of India's foreign trade has changed. The imports and exports have increased as indicated below :

In Crores of Rs.

Year	Imports	Exports (including re-export)
1950-51 . . .	624·0	624·6
1951-52 . . .	955·3	742·7
1952-53 . . .	670·1	578·0
1953-54 . . .	572·0	530·7
1954-55 . . .	666·4	593·9
1955-56 . . .	678·9	597·4

Apart from this increase in the magnitude of our trade our requirements also have become more varied. New competitors have entered the international field and it has become an arduous task to push up our export trade. These factors have compelled the Ministry to revise, to some extent, the policy it had accepted in 1950-51 based on the recommendations of the Estimates Committee and the economy drive undertaken by the Government of India. Consequently, some of the posts which were closed down earlier had to be re-opened *viz.* Tokyo, Teheran, Baghdad, Ottawa ; it is proposed to re-open the office at Vancouver also.

1	2	3
49	70—*contd.*	

In case of Japan, which is proving to be our formidable competitor, that office had to be considerably strengthened to deal with the very many problems connected with trade. New offices in countries with which we have decided to encourage our trade relations have also to be opened. Such offices are proposed to be set up at Peking, Moscow, Stockholm and Sudan. In the case of East and Central Africa, it was found impossible for our Trade Commissioner to cover the entire territory under his jurisdiction—an area two times bigger than India. A new Office, is therefore, proposed to be opened at Salisbury.

Wherever the commercial interest involved is not big enough to warrant the appointment of a separate commercial officer, the Ministry has entrusted the work to the Embassy, but where the trade interest is considerable or of sufficient importance, we have had no alternative except to either continue the commercial wings already in existence or to strengthen them, if necessary, or even to open new establishments, if unavoidable.

There has also been other difficulties in acting in accordance with the recommendations of the Committee. The Embassies themselves are meagrely staffed and are not in a position to undertake commercial work in addition to their own. Further,

51 72 Trade Commissioners should be gradually and progressively entrusted with the work of foreign purchases.

in many cases, the staff of the Embassy are not experienced or trained to undertake commercial work. Heads of Missions in certain countries abroad have also been persistently demanding the establishment of a Commercial Section where the mission concerned was not in position to satisfactorily attend to the commercial work in the absence of a Commercial Secretary.

While this Ministry could give the assurance that the recommendations of the Committee will be adhered to wherever possible, it finds itself unable to adopt a course which might be detrimental to the development of the trade of the country.

(*Ministry of Commerce and Consumer Industries O.M. No. 23-Coord(45)/50/A/B & A/56, dated the 27th September, 1956.*).

Linked with the question of the Stores Purchase Committee. (*Statement laid on the Table on the 18th September, 1951*).

Reference is invited to the action taken by the Ministry of Works, Housing and Supply on the corresponding recommendations of the Stores Purchase Committee relating to S. No. 18 of the recommendations in the First Report (*Vide the Thirty-Fifth Report of the*

1	2	3
51	72—*contd.*	
53	74	(*iii*) Trade Missions at Rome, Paris, Brussels, Berne and Prague should be grouped in one or two units and expenditure curtailed commensurate with the trade in those countries.
60	85	(*ii*) The Board should contribute to the salaries of staff employed on Secretariat work relating to Tea in the Ministry of Commerce, meeting expenses on Delegations sent abroad in connection with Tea as also to the part expenses on the construction of warehouse.

Estimates Committee). Further action in the matter is not called for so far as the Ministry of Commerce and Industries is concerned.

(*Ministry of Commerce and Consumer Industries O. M. No. 23-Coord* (45)/50/*A*/*B*&*A*/56, *dated the 27th November*, 1956).

Please see remarks against S. No. 49

(*Statement laid on the Table on the 18th September*, 1951).

The amount paid on the staff for dealing with Tea work in the Secretariat is relatively small. It does not, therefore appeare necessary to press the Tea industry to bear expenditure on this account. As regards delegations, the recommendations will be examined in relation to the procedure followed in respect of similar delegations for commodities like Coffee, Cotton, etc. As regards contribution for the construction of warehouse accommodation, the Port Commissioners have already undertaken the construction of additional warehouses.

(*Statement laid on the Table on the 18th September*, 1951).

CHAPTER IV

REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN FINALLY ACCEPTED BY THE COMMITTEE AND ARE BEING PURSUED

Sl.* No.	Ref. to para No. of the Report	Summary of Recommendations	Reply of the Government	Comments of the Committee
1	2	3	4	5
5	5	(*a*) Offices directly under the control of the Ministry should be made self-contained units and their Heads vested with *ex-officio* Secretariat status so as to enable them to deal directly with the Secretary or the Minister as the case may be.	(*a*) *Ex-officio* status has been conferred on the Heads of Departments where such conferment was considered expedient in the public interest. (*Ministry of Commerce and Industry O. M. No. 23-Coord(45)/50 dated the 27th January, 1955*).	The Ministry has been asked to state which of the Heads of Offices have not been given Secretariat status.

*Note—Sl. No. indicates the Sl. No. of the recommendations as given in the Appendix to the Third Report.

1	2	3
37	47	(*ii*) The cinema theatre said to have been transferred to the I. & B. Ministry should be run by that Ministry without engaging any additional staff and staff previously employed for this work under the Commerce Ministry should be reduced.
		(*iii*) The Photographic material with the administrative Intelligence Room should also be transferred to the Films Division of the Information & Broadcasting Ministry.
38	48	The photostat machines should be transferred to the Director of Archives. The staff employed in the Administrative Intelligence Room on these machines should be reduced.
39	49	Steps should be taken for the early transfer of the Press to the W. M. P. Ministry. The staff engaged for this press should be dispensed with immediately.

No. 37(*ii*) *to* (39)

The question of the control over the Press and the other section of the Administrative Intelligence Room is still under consideration.

(*Statement laid on the Table on the* 18*th September*, 1951).

S. No. 37(*ii*) *to* (39)

The Ministry of Commerce and Industry has been asked to state the extent to which the staff was reduced with the transfer of the Cinema Theatre to the Ministry of Information and Broadcasting and also the extent to which the staff engaged for the press was dispensed with on transfer of the Press to the W., H. & S. Ministry.

The Administrative Intelligence Room was bifurcated into the following two Divisions:—

(1) Statistics Division.
(2) Press Division.

The Statistical Division was merged with the office of the Economic Adviser to the Govt. of India but was later on transferred to the Cabinet Secretariat, Central Statistical Organisation, *i.e.*, on 1st February, 1951.

The Press Division was renamed as "Commerce Ministry's Press". The Press was renamed later as C. & I. M. Press and was transferred to the late Ministry of Works and Supply, in January, 1952. The name of the C. &. I. M. Press has since been changed as Govt. Photo Litho Press.

(III) Consequent to the transfer of co-ordinating work from the Statistical Division of the Economic Adviser's office to the Cabinet Secretariat on 1-2-1951 the following staff was transferred:

Gazetted Officers

1. Statistician . .	1
2. Assistant Director of Statistics . . .	1

1	2	3	4	5
		3. Statistical Research Officers	6	
		Non-Gazetted		
		1 Statistical Investigator	1	
		2. Statistical Assistants .	11	
		3. Senior Artists . .	4	
		4. Junior Artists . .	4	
		5. Stenographers . .	3	
		6. Assistant-in-charge .	1	
		7. Assistants . . .	2	
		8. Typists . . .	3	
		9. Lower-Div. Clerks .	3	
		10. Telephone Operator .	1	
		11. Staff Car Driver .	1	
		Class IV staff		
		1. Daftries . . .	2	
		2. Daffadar . . .	1	
		3. Peons . . .	11	
		4. Sweeper . . .	1	
		5. Chowkidars . .	3	

Only one temporary post of Assistant was transferred to the Ministry of Works, Production and Supply, from the Ministry (Secretariat) along with the work relating to the administration of the Commerce and Industry Press.

IV. The Press as a whole comprising of all things referred to in the Lok Sabha O. M. under reply, was transferred to the Ministry of W., H. & S. (*Ministry of Commerce & Industry O.M. No. Pt. 23-Coord. (45)/50/A/B&A dated the 16th April, 1956.*

As a matter of fact the recommendation of the Estimates Committee relates to a period when the Administrative Intelligence Room was functioning under the control of the Ministry of Commerce and Industry. It was, however, in pursuance of the recommendations of the Estimates Committee contained in para 49 of that Report, that the Press attached to the Administrative Intelligence

1	2	3

Room was transferred to this Ministry. The position in respect of paras 47 to 49, is however, as under :—

Para 47 :—

The publicity organisation has not been transferred to this Ministry and we have no information on the subject. Either the Ministry of Commerce and Industry or the Ministry of Information and Broadcasting would be in a position to offer comments thereon. As regards the Cinema, it is already stated in the Report itself that it was transferred to the Ministry of Information and Broadcasting.

Para 48 :—

As regards the recommendation pertaining to transfer

of photostat machines to the Director of Archives, it may be stated that it was decided to transfer one of the machines to him. The machine was accordingly placed at his disposal but according to the decision taken at the time of transfer, the machine is being operated by staff belonging to the Station ry & Printing Department as the Director of Archives has no arrangement of his own. In the circumstances there has been no reduction in staff; the operator has been located in the office of Director of Archives along with the machines.

Para 49 :—

The press in the former Administrative Intelligence Room has been integrated into the plan of a photo litho press which the Ministry of Works, Housing and Supply intend to set

1	2	3
46	63	A competent Statistician who can plan, initiate, develop and give life to the whole organisation in its technical aspects should be appointed as Director-General of Commercial Intelligence and Statistics. The post of the Deputy Director should be abolished. (Minus one Deputy Director).

up to meet the Government requirements of Litho Printing work.

(*Ministry of W., H. & S. O. M. No. Budget-5(1)/56 dated the 21st June*, 1956).

This matter is linked with the recommendation made in Serial No. 40.

(*Statement laid on the Table on the 18th September*, 1951).

It was intended to ask the U.P.S.C. to advertise and secure the services of a competent Statistician for the post of Director General of Commercial Intelligence and Statistics. Later on the advice of Prof. Mahalanobis, Hony. Statistical Adviser to the Cabinet, it was decided by the Commerce & Industry Ministry to suspend action in this direction for the time being.

The Committee feel that a special knowledge of Statistics should be prescribed as an essential qualification for appointment to the post of Director General of Commercial Intelligence and Statistics.

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NEW DELHI;
The 1st December, 1956.

(*Ministry of Finance O.M. No.* 6474-EG-I/54 *dated the* 14*th October*, 1954.)

'The duties of the Head of the combined offices of D. G. C. I. & S. and D. I.S are statistical as well as administrative. Efforts have so far failed to secure the services of a competent Statistician with efficient administrative experience and personality to dominate an office possessing various heterogenous elements. The present incumbent of the post of D.G.C.I. & S. is Shri C.R.B. Menon, a permanent Grade I Officer of the Central Secretariat Service. He has been continuing in that post since October, 1952 with the approval of the Ministry of Home Affairs.

(*Ministry of C & I. O. M. No. Pt.* 23-*Coord.* (45)/50/*A*/*B&A dated the* 28*th July*, 1956.)

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

APPENDIX I

(*Vide* S. No. 10(a), Chapter III)

Statement showing expenditure on pay and allowances of the officers and staff of the Commerce and Industry Ministry for the year 1951-52 *to* 1954-55

Details of expenditure	Expenditure booked for the year				Remarks
	1951-52	1952-53	1953-54	1954-55	
Pay of Officers	7,27,798	7,58,293	7,79,266	8,12,885	*The expenditure includes expenditure on Delegation and T. A. of N. O. M.
Pay of Establishment . . .	9,04,631	9,09,644	9,39,239	9,65,955	
Allowances, Honoraria etc. . .					**This expenditure includes expenditure on T.A. of N.O.M. but does not include the expenditure on delegations abroad.
Dearness Allowances . .	4,19,434	4,29,273	4,40,150	4,34,308	
Medical Charges . . .	7,443	11,700	14,180	6,896	
House Rent Allowance, Hon. etc.	1,02,100	1,02,352	1,06,422	1,13,925	Do. †—
Travelling Allowances . .	*2,09,920	**98,335	†1,59,799	‡ 1,55,107	Do. ‡—

APPENDIX II

(*Vide* S. No. 36, Chapter III)

Note prepared by the Cabinet Secretariat about the Central Statistical Organisation

The Central Statistical Organisation was set up in May, 1951 with the following main functions :—

1. To advise the Ministries and other Government agencies on statistical matters and to arrange inter-departmental discussions on statistical matters.

2. To co-ordinate the statistical work of the Ministries and other Government agencies with a view to eliminating and preventing unnecessary duplication and reducing the overall cost to a minimum.

3. To develop definitions and standards for improving national and international comparability and to give continuing attention to the improvement of the quality of information, required by Government.

4. To prepare and publish the Annual Statistical Abstract, the Monthly Abstract of Statistics, the Weekly Bulletin of Statistics, and the Guide to Current Official Statistics.

5. To serve as the channel of communication with the United Nations Statistical Organisation both with regard to the observance of international conventions relating to economic statistics and the provision of data required for the regular publications and for various *ad hoc* purposes.

6. To represent graphically current statistics with a view to throwing light on the developing economic situation.

7. To keep continuous touch with national statistical organisations in other countries of the world in the context of the latest developments in methodology as well as organisation.

8. To undertake special work, as and when it arises, whether it be at the request of the Central Government Ministries or of the State Governments. This includes provision of facilities for training of Provincial officers in day-to-day statistical work.

2. The work at items Nos. 4-8 was transferred from the Office of the Economic Adviser to the Government of India under the Ministry of Commerce (now Ministry of Commerce and Industry) along with the staff, details of which are given in the statement attached. This included the Statistician's Office and the Statistical Presentation Division, which were doing work relating to statistical co-ordination and statistical publications of a general nature.

3. Since its inception, the Central Statistical Organisation has been co-ordinating the Statistical activities of the Central and State Governments. It has been rendering advice on statistical matters to the various Ministries of the Government of India, State Governments and Industry and Trade. All Ministries of the Government of India were directed in July, 1952 to send to the Central Statistical Organisation for examination new proposals for the collection, processing and analysis or publications of statistical data. A number of steps have been initiated by the Central Statistical Organisation towards effecting improvement in specific fields of statistics, preventing overlapping and reducing duplication, developing concepts, definitions and standards on a scientific basis. In most cases this is being done with the help of Working Parties set up by the Standing Committee of Departmental Statisticians. Such Working Parties include representatives of the various Ministries and State Governments concerned and also of the Planning Commission.

The principal machinery by means of which the co-ordination of the statistical activities of the Central and State Governments is sought to be achieved by the Central Statistical Organisation is the annual Joint Conference of Central and State Statisticians which have been conducted by the Central Statistical Organisation, since it was set up in 1951. A number of recommendations towards the improvement of statistical systems, *e. g.*, better co-ordination between the Central and State Governments on statistical matters, uniformity in statistical publications, quality of primary data, statistical legislation, training of statisticians needed at various levels, proper co-ordination of sample surveys with a view to securing uniformity and minimum standards, steps to be taken towards improvement of quality of primary data, have been made by the Conferences. The Central Statistical Organisation follows up these recommendations in order to see that necessary action is taken by all concerned.

The Central Statistical Organisation has also helped the various Ministries and Departments to revise their statistical forms with a view to avoiding duplication and providing for comprehensive information. It also organises training schemes for the training of Junior and Senior Statisticians in order to meet the growing requirements of statistical personnel both by the Central and State Governments.

In pursuance of one of the recommendations of the National Income Committee which had been set up by the Government of India to prepare a report on National Income and related estimates, which was to suggest measures for improving the quality of the available data and for the collection of further essential statistics, etc., etc., the National Income Unit which had hitherto been working under its guidance to frame authoritative estimates of national income was transferred from the Ministry of Finance to the Central Statistical Organisation with effect from 1st June, 1954.

Recently the Central Statistical Organisation has been made responsible for the statistical work relating to planning and it is also co-ordinating the statistical schemes of the various Central Ministries to be included in the Second Five Year Plan.

It would be seen from the above that the Central Statistical Organisation has been working towards building up an integrated statistical system in the country and has made substantial progress in this direction.

4. There had been little increase in the strength of the Central Statistical Organisation from the date of its formation till the middle of last year when some additional posts were sanctioned in connection with the work relating to planning, although it had undertaken additional activities and the scope of its functions were considerably enlarged. The Statistical Presentation Division of the late A. I. Room (which was merged with the Office of the Economic Adviser under the Ministry of Commerce and Industry and was later on transferred to the Central Statistical Organisation) had also had no additional staff in spite of the fact that its functions have, in the present context, considerably expanded. Besides its original duties of presenting graphically current statistics with a view to throwing light on the developing economic situation, this Division has undertaken additional duties, *e.g.*, preparation of special charts for the various national and international exhibitions, training artists from the Statistical Offices in the States and Central Government Departments. To meet the pressing demands for a Standard Manual on Graphical Representation, the Graphical Division is also writing such a manual.

ANNEXURE

Statement showing details of staff transferred from the Statistical Presentation Division and Statistician's Office to the C. S. O.

	Statistical Presentation Division	Statistician's Office
Gazetted :		
Statistician	..	1
Asstt. Director of Statistics	1	..
Statistical Research Officers	4	2
Non-Gazetted :		
Investigators	..	1
Statistical Assistants	11	..
Senior Artists	4	..
Junior Artists	4	..
Stenographers	2	1
Assistant-in-Charge	..	1
Assistants	..	2
Clerks	3	..
Typists	3	..
Telephone Operator	1	..
Staff Car Driver	1	..
Class IV Staff :		
Daftry	1	..
Daffadar	1	..
Peons	8	3
Chowkidars	3	..
Sweeper	1	..

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